

Cecil Township Municipal Authority
Monthly Meeting
July 21, 2015

The Cecil Township Municipal Authority held its regular monthly meeting on Tuesday, July 21, 2015 at the Cecil Township Municipal Building in Cecil, PA. Chairman Donald Gennuso called the meeting to order at 6:00 PM with Richard Barnes and Stephanie Lucchino in attendance. Also present were Romel Nicholas, Gaitens, Tucceri and Nicholas; Walter O'Shinski P.E., Dennis Bell, Administrator and Gregory Gennuso, Assistant Administrator. Blane Volovich, Timothy Markovich, and Eric Tissue, KLH Engineers, were absent.

MINUTES OF JUNE 16, 2015

The Board by a unanimous vote on a motion by Richard Barnes and a second by Stephanie Lucchino deferred approval of the June 16, 2015 minutes until the August 18, 2015 meeting.

2014 AUDITOR REPORT

Mr. Steven Cypher, Managing Partner - Cypher and Cypher CPA presented the 2014 audit report to the Board.

The Statement of Net Assets – Proprietary Fund (Balance Sheet) reflects total assets and deferred outflows of \$39,715,647 and total liabilities and deferred inflows of \$17,439,863 with a total net position of \$22,275,784.

The Statement of Revenue, Expenditures, and Changes in Fund Net Position – Proprietary Fund reflects operating revenue of \$1,987,719, operating and maintenance expenses were \$1,902,927, administrative expenses were \$375,716, interest expense totaled \$624,396, other non-operating income of \$2,804,631 includes \$2,590,740 for the value of sewer lines constructed by developers and dedicated to the Municipal Authority. The net income is shown as \$1,889,311, however, the business reported a net loss of \$761,528.

Steven Cypher discussed comments in their management letter to assist the Board and management on methods to strengthen internal controls and accounting systems. He focused his discussion on the computer system and having an offsite data backup; the planned change in the billing agent from Freedom Systems Corp. to in-house billing; insuring proper internal controls are in place and being continually reviewed, and conducting a fixed asset appraisal.

ENGINEER REPORT

UPDATE ON SANDLEWOOD DRIVE SEWER PROJECT

Walter O'Shinski updated the Board on the Sandlewood Drive project. He stated that the core boring is completed and that the Sandlewood pump station is off line as of July 17, 2015. The project has restoration, paving, and rip-wrap installation remaining. The project is six months behind and has accumulated costs of \$20-25,000 dollars due to the delay. The contract contains a liquidated damages clause that accumulates \$1,000 a day. The Board has agreed that an agreement with the contractor that covers the Authority's accumulated costs is an acceptable alternative to the liquidated damage costs.

AUTHORIZE PAY ESTIMATES FOR SANDALWOOD

The Board by a unanimous vote on a motion by Richard Barnes and a second by Stephanie Lucchino authorized Pay Estimate # 2 for Sandalwood (alternate bid) in the amount of \$12,599.58.

The Board by a unanimous vote on a motion by Richard Barnes and a second by Stephanie Lucchino approved Pay Estimate # 2 for Sandalwood (base bid) subject to a reduction in the current payment to account for the Authority's costs to operate the pump station.

LAWRENCE DESIGN PROJECT COOPERATION AGREEMENT WITH RAWC

Walter O'Shinski informed the Board that the Cooperation Agreement for the Lawrence Project is the Redevelopment Authority's standard Cooperation Agreement and he requested a motion to approve the signing of the Cooperation Agreement. The Board by a unanimous vote on a motion by Richard Barnes and a second by Stephanie Lucchino authorized signing the Cooperation Agreement.

LAWRENCE DESIGN PROJECT ENGINEERING SELECTION PROCESS

Walter O'Shinski updated the Board on the Lawrence Project Engineering Selection process. He explained that the Authority must advertise for engineering to design the project. Romel Nicholas recommended the proposals include the engineering firm's standard service agreement. Walter O'Shinski requested a motion to advertise a request for proposal for the engineering services for the design of the Lawrence project. The Board by a unanimous vote on a motion by Stephanie Lucchino and a second by Richard Barnes approved the request for advertisement.

AUTHORIZE SIGNING DEED OF EASEMENTS FOR GEORGE ELISH SEWER LINE EXTENTION PROJECT

Walter O'Shinski received and reviewed the two deed of sanitary sewer

easements for the George Elish sewer extension project. Walter requested a motion to approve the signing of the two easements. The Board by a unanimous vote on a motion by Stephanie Lucchino and a second by Richard Barnes approved signing the easements.

ENCROACHMENT AGREEMENT- 1154 OLD FARM RD

Walter O'Shinski received and reviewed a sewer encroachment for a deck to be constructed at 1154 Old Farm Road, Lawrence PA. He stated the easement agreement is a standard document used previously by the Authority for deck encroachments. The proposed deck will encroach approximately three feet into the sanitary sewer easement. The Board by a unanimous vote on a motion by Richard Barnes and a second by Stephanie Lucchino approved the encroachment agreement for 1154 Old Farm Rd.

UPDATE SOUTHPOINTE LAND SLIDE

Walter O'Shinski advised the Board of status on the landslide on Southpointe Blvd. On Monday July 20th, 2015, a surcharged manhole was found while doing a one-call for core borings just off of Southpointe Blvd. Upon further investigation it was determined that a landslide had displaced a joint in the ductile iron sewer pipe and therefore allowed the adjoining lake to drain into the sanitary sewer. A pump has been put in place to by-pass this section of pipe and alleviating this inflow of water. The township's consulting engineer completed the core boring for the area and they have scheduled a site survey for the following week. Walter will continue to monitor this situation and update the Board on its status.

SOLICITOR REPORT

Romel Nicholas stated all his items were covered.

BUSINESS MANAGER REPORT

UPDATE ON BILLING SERVICES

Greg Gennuso provided the Board with an update on the billing service. He stated that the staff began the billing process and have billed three of the districts with minor issues. He stated that the only major issue currently being worked through is with our bank accepting checks made payable to Freedom Systems and that this issue has been resolved.

RENEWAL OF CD 00-13017806 DUE ON AUGUST 15, 2015

The Board by a unanimous vote on a motion by Richard Barnes and a second by Stephanie Lucchino authorized the reinvestment for one-year on CD # 13017806 at the interest rate of 1.95% with a yield of 2.00%.

DISCUSS OPTIONS FOR MEDICAL COVERAGE

Greg Gennuso discussed the medical coverage options available for service beginning on August 6, 2015. He stated the current plan is with Health America and has a \$750 deductible and the plan is available however the premiums would increase by forty-two percent. The current alternative programs with Health America do not have a \$750 deductible and the two suitable alternatives were presented to the Board have a \$500 deductible and a \$1,000 deductible. The Board on a unanimous vote on a motion by Stephanie Lucchino and a second by Richard Barnes authorized the Health America plan with a \$500 deductible.

FINANCIAL REPORT MAY 2015

Greg Gennuso reported that the financial report for the month of May 2015 was provided for the Board to review.

REVIEW OF CORRESPONDENCE

There were no comments on the monthly correspondence.

PAYING OF EXPENSES/TRANSFER OF FUNDS ETC.

By a unanimous vote on a motion by Richard Barnes and a second by Stephanie Lucchino, the Board authorized payment of expenses and transfers as follows:

DMR Review and Approval; Payment of Expenses/Invoices etc.
Employee Payroll; 941 Tax Deposit; Employee State Tax Payment
Discharge Monitoring Reports were approved for submission to the PADEP

ADJOURNMENT

There being no other business, by a unanimous vote on a motion by Richard Barnes and a second by Stephanie Lucchino, the meeting was adjourned at 7:29 PM. The next regular meeting is scheduled for 6:00 P.M. Tuesday, August 18, 2015.

Secretary